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ABSTRACT

Much of Indiana is sparsely populated and is concerned with agricultural activity; 70 percent of the state's population lives in its 13 metro areas. Partly because residents have done well without high levels of education, a small proportion of adults possess college degrees. Currently, many new jobs in Indiana are at the low end of services that pay very little compared with the manufacturing jobs they are replacing. If the state is to develop a healthy and diverse economy, it must build a "middle" into its service and work force. Due to declining white birth rates, minorities are increasingly becoming an important part of Indiana's future. A greater diversity of students without corresponding diversity within the school faculties to teach and to serve as appropriate role models could reduce the retention rate to high school graduation. Indiana's 72 institutions of higher education seem unusually attractive to nonresident students; thus, enrollment has remained fairly constant in numbers of students. Moreover, public higher education funding has been increasing. An increasingly important item for strategic planning in Indiana's institutions of higher education is the flexibility offered by the state's comparatively low tenure rate. (11 references) (KM)

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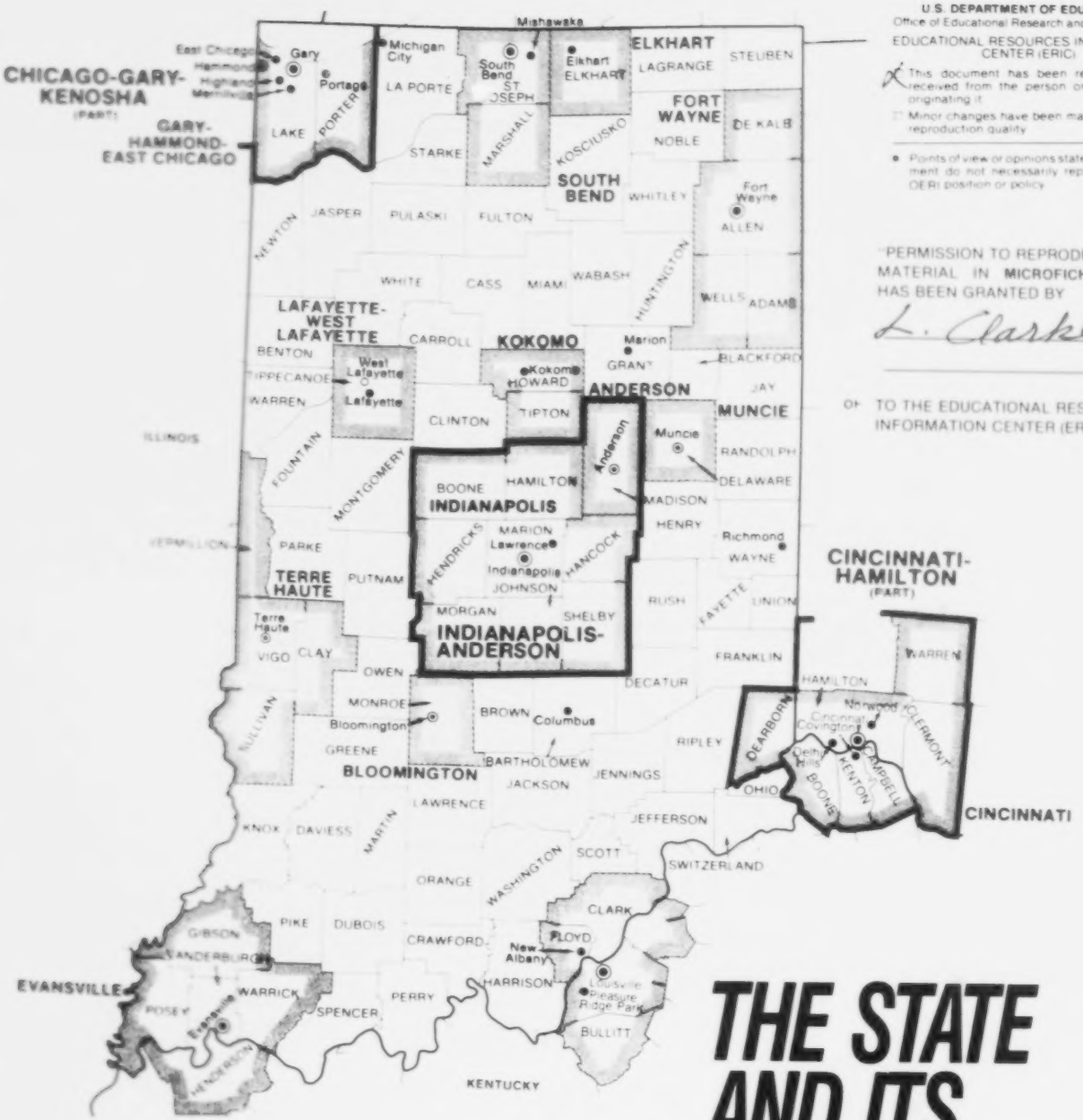

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THE STATE AND ITS EDUCATIONAL SYSTEM

BY HAROLD L. HODGKINSON

THE INSTITUTE FOR EDUCATIONAL LEADERSHIP, INC.

EA 021 487

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The report brings together a wide variety of materials having to do with Indiana. This integration could not have been accomplished without a computer program called Super-File, which has been a joy to use. The author's gratitude goes to FYI, Inc. and the geniuses who made it possible.

Thanks also to Louise Clarke, Chief Administrative Officer at IEL, for her excellent supervision of the manufacturing process, and to Tony Browder, whose graphic designs have been a vital part of the publication. Jackie Danzberger, of the IEL staff and a knowledgeable Hoosier, was particularly helpful.

Errors of fact and interpretation, however, remain the responsibility of the author.

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Cover Note:

This map of Indiana, based on metro areas, reveals Indiana as very urban. Also, many Indiana metros are shared with other states—Illinois, Ohio and Kentucky. The complexity of the state can be seen in the variety of regional values found in Indiana's urban areas. In thinking about the state's future, these areas are the social equivalents of mountains, rivers and roads. "People Maps" like this one are becoming increasingly important tools for politicians, marketers of products and services, and even educators!

Cover and Graphics Design: Tony Browder, East Koast Graphics, Inc.

INDIANA:
THE STATE AND ITS EDUCATIONAL SYSTEM

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INDIANA: THE STATE AND ITS EDUCATIONAL SYSTEM

Indiana is both a Great Lakes state (manufacturing, urban) and a Great Plains state (rural, traditional values, agrarian). In the *Nine Nations of North America*, Indiana is a mixture of "Western Foundry," "Heartland," and "Dixie" influences. This unusual melange of cultures is also seen in the following items from Indiana:

- The Empire State Building is made of stone quarried in Indiana.
- The Indiana Dunes are a *real* desert in the Midwest.
- The state lives on basketball, as a very small town can field a team which can win the state championship.
- Both the American Legion and the Ku Klux Klan started in Indiana.
- *Middletown*, the classic study of "typical America," was done in Muncie, Indiana.
- A world class opera conservatory is located at Indiana University, also the location of Kinsey's studies of sexual behavior.
- Indianapolis was the center of auto manufacturing long before Detroit became Motown, producing the Cole and other major cars. The Indianapolis 500 is located in the *historically* correct city.
- The transition from motor capital to Detroit subcontractor is a major piece of the state's history.

Because so many complex values and histories impinge on the state, we need to get a clear look at the state as it actually is. As the cover of this publication suggests, there are 13 metro areas in Indiana, and 70% of the people live in them. On the other hand, much of Indiana is very sparsely populated and is concerned with agricultural activity. The two systems merge in some ways—Indianapolis, a major city, has one of the lowest police to citizen ratios in the nation. Only 13.9 police are needed for every 10,000 citizens, compared to 41.7 in Chicago and 44.4 in Philadelphia. Apparently, "Heartland" values work in cities as well as on the farm.

The manufacturing areas of Gary-Hammond-East Chicago, South Bend, Kokomo and Cincinnati-Hamilton have had a difficult time during the last decade, as much of the manufacturing in Indiana and Ohio has been subcontract work for Detroit. The economic bounceback in both Indiana and Ohio has been slow but steady, as workers retrain for service jobs that usually pay less than the manufacturing jobs they left. In both states, unemployment rates can go down at the same time that household income declines, if the new workers are making very low wages.

With this in mind, let's look at some of the state's population characteristics:

INDIANA PROFILE

1980 POPULATION	12th	5,490,224
1986 POPULATION	*	5,537,804
BLACK POPULATION	20th	414,785
PERCENT BLACK		7.6%
HISPANIC POPULATION	17th	87,047
PERCENT HISPANIC		1.6%
ASIAN POPULATION	*	19,000
PERCENT ASIAN		.4%
OVER 65	31st	10.7%
UNDER 18	16th	29.5%
MEDIAN AGE	31st	29.2 Years
WOMEN IN LABOR FORCE	26th	50.3%
COLLEGE GRADUATES	45th	12.5%
MARRIED COUPLE HOUSEHOLDS	9th	64%
MEDIAN HOUSEHOLD INCOME	18th	$17,502
OWNER-OCCUPIED HOUSING	5th	71.7%
HOUSING VALUE	39th	$37,200
BORN IN ANOTHER STATE	*	28.7%

From this we can see a different view of Indiana, one that belies the "small town" stereotype. Although ethnic diversity is lower than for the nation as a whole, greater diversity is in the offing—10% of the state's population is non-Anglo, while 23% of the public school children are, and over 50% in Indianapolis schools. Because relatively few people move in and out of Indiana, today's school children *are* tomorrow's Indiana adults.

The traditional notions of living in a home that you own, and sharing it with someone you are married to (an idea that is perceived as quaint in some parts of the country) seems to be alive and well in Indiana. Also traditional is the notion that women should not work outside the home, one of the reasons for the relatively low level of household income. (Two incomes are becoming a necessity for a middle-class family.)

Like Ohio, people without college degrees have been able to do quite well financially in the manufacturing industries. It is unlikely that they will continue at this level, as jobless growth becomes the watchword of manufacturing. New jobs in Indiana are heavily in the low end of the service economy, and as we have said, the state could actually reduce unemployment and have average family income *fall* at the same time. (In 1986, 3.5 million Americans worked full time, yet were below the federal poverty line. Some of these people had "junk jobs" in Indiana.) There is a major need in Indiana and Ohio which has not been met—*diversification into the high end of the service economy, not into "high tech" manufacturing.*

Partly in keeping with the traditional value structure and low diversity, Indiana has a relatively low crime rate. The table below gives crime rates per 100,000 citizens for 1980:

INDIANA CRIME RATE PER 100,000

	INDIANA	INDIANAPOLIS
MURDER	8.9	15.3
	22nd	19th
RAPE	33	58
	2Oth	19th
ROBBERY	141	313
	22nd	21st

Even Indianapolis ranks as a safe city, although crime rates are higher than for the state as a whole. The only crime with a high rate (going with the Indy 500) is *speeding*– the state ranks 12th, with 56% of drivers exceeding the 55 m.p.h. limit. Yet, on traffic *fatalities*, the state ranks 33rd! It seems that on the state's fine highway system one can exceed the limit and still not get killed. Also of interest is Indiana's low abortion rate—the state ranks 42nd in this category, with 168 abortions for every 1,000 births. (At the other extreme is New York, with *666* abortions for every 1,000 births. Little has been written about the *educational* implications of these differences.) Out of wedlock birth rates are comparatively higher—the state ranks 17th in this category. 14.6% of all children born in Indiana are born out of wedlock, a figure that contests the state's otherwise solid commitment to Heartland values. The percentage of children whose parents will divorce during their youth is not known, as Indiana is one of two states that did not report divorce rates in 1980.

If we look at population movement in Indiana, it is very small for a state of 5.5 million people:

INDIANA POPULATION MOVEMENT: 1975-1980

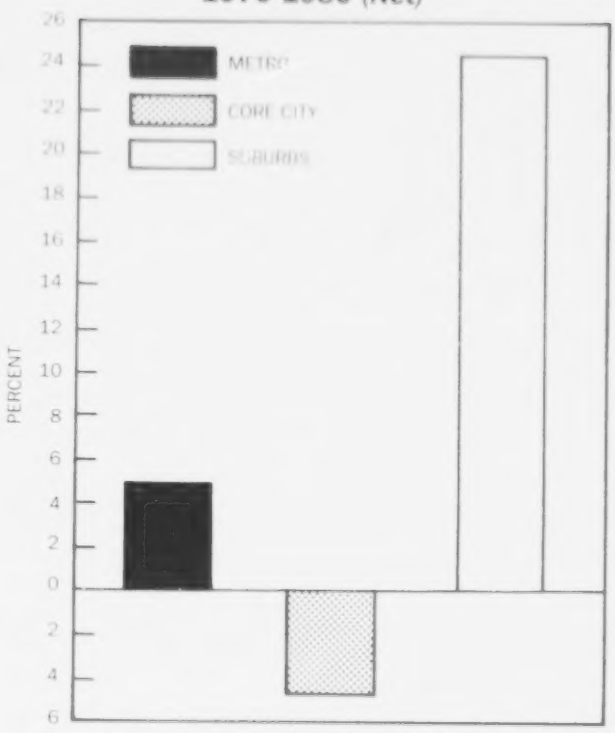
	ALL	WHITE	BLACK	HISPANIC
IN	415,859	370,696	28,118	11,545
OUT	467,014	429,761	28,224	8,988
NET	-51,155	-59,065	-126	+2,557

Although the rates are low, an important fact is that the white population "net" showed a decline, while Hispanics gained slightly. This is one reason for the increasing minority population, in addition to fertility declines among whites in Indiana. (It is interesting to note that white birth rates were 2.8 children per female at the height of the Baby Boom, while white rates *today* are 1.7 and dropping. Mexican-American fertility today is 2.8, the white birth rate during the 1950's. A handy index is that any group needs 2.1 children per female to stay even—two to replace mom and dad and .1 to cover infant mortality.) Nevertheless, the state is quite stable in population, with only 28.7% of its residents being born in another state. (Nevada, with *very* high crime rates, has 78% of its citizens who come from another state.) Looking at growth in Indianapolis will show us another trend:

INDIANAPOLIS METRO GROWTH: 1970-1980

	1980	1970	NET
METRO TOTAL:	1,666,575	1,111,352	+5%
CORE CITY:	700,807	736,856	-4.9%
SUBURBAN:	465,768	374,496	+24.4%

INDIANAPOLIS METRO GROWTH: 1970-1980 (Net)



The data show a trend among virtually all U.S. cities: **suburban growth has been purchased at a cost of economic decline in the core city.** The city could still manage a move to "bedroom" communities during the 1960's, as long as the suburbanites worked downtown. Today, however *both* jobs and homes are moving to the suburbs, leaving a depleted city economy behind. Much of what appears to be a decline in manufacturing jobs is a movement to suburban service jobs. With all the talk about revitalizing core cities as places to shop, it is a drop in the bucket compared to suburban shopping volume. With jobs, homes *and* shopping mainly in suburbs, there is little to work with in revitalizing downtowns. "Gentrification" makes good newspaper copy, but does not even begin to solve the urban problem.

Additionally, Indianapolis had 157,338 black residents in 1980, of whom 152,590 lived in the city limits, leaving a *suburban* black population of only 4,748 for a metro area of 1,666,575 people. Three percent of Indianapolis blacks live in suburban areas, compared to 69% of blacks in Miami. In Gary–Hammond, 126,361 blacks live in the metro area, but 107,539 live in the core city, leaving only 18,822 suburban blacks, or 6.7% of the black population. One can only conclude from this analysis that Indiana has not been particularly successful in developing a significant black middle-class population in terms of suburban residency.

However, when economic level is used instead of residency, the picture improves strikingly for Indiana blacks:

METROPOLITAN AREAS RANKED BY BLACK INCOME LEVELS:

1. Nassau-Suffolk, NY
2. Miami, FL
3. Columbia, SC
4. Richmond, VA
5. Newport News–Hampton, VA
6. Columbus, OH
7. Los Angeles–Long Beach, CA
8. Dayton, OH
9. San Diego, CA
10. Gary-Hammond, IN
11. Indianapolis, IN
12. Charleston, SC

There are two hypotheses for these very high Indiana ratings: (1) the small number of suburban blacks in Indiana are all millionaires; (2) it is possible in Indiana (as in Columbus, Ohio) to be black, live in the core city *and* live a middle-class life. "Middle" here is interpreted as household income between $30,000 and $50,000 a year in 1986 dollars. The second hypothesis is the preferred one, although the Joint Center for Political Studies pointed out in 1986 that 12% of working black males make *more* than $50,000 a year. Minority no longer *equals* poor.

One can argue that the future of Indiana will be bound up increasingly in the future of the Indiana black (and to a lesser degree, Hispanic) middle class. In order to explore this, let's look at the Indiana economy. The following chart shows the percentage of the Indiana work force in column 1, and the contribution that economic area makes to the Indiana economy, using 100 as an index for the U.S. average:

INDIANA WORKFORCE AND ECONOMY, 1980

	PERCENT OF WORKERS	INDEX
AGRICULTURE, FORESTS, MINING, FISHING	3.4%	85
CONSTRUCTION	5.0%	85
MANUFACTURING	30.9%	138
TRANSPORTATION, COMMUNICATION	6.6%	90
RETAIL, WHOLESALE TRADE	20.3%	100
FINANCE, INSURANCE, REAL ESTATE	5.0%	83
BUSINESS, REPAIR, PERSONAL SERVICE	6.4%	76
PROFESSIONAL SERVICE	18.8%	93
PUBLIC ADMINISTRATION	3.5%	66

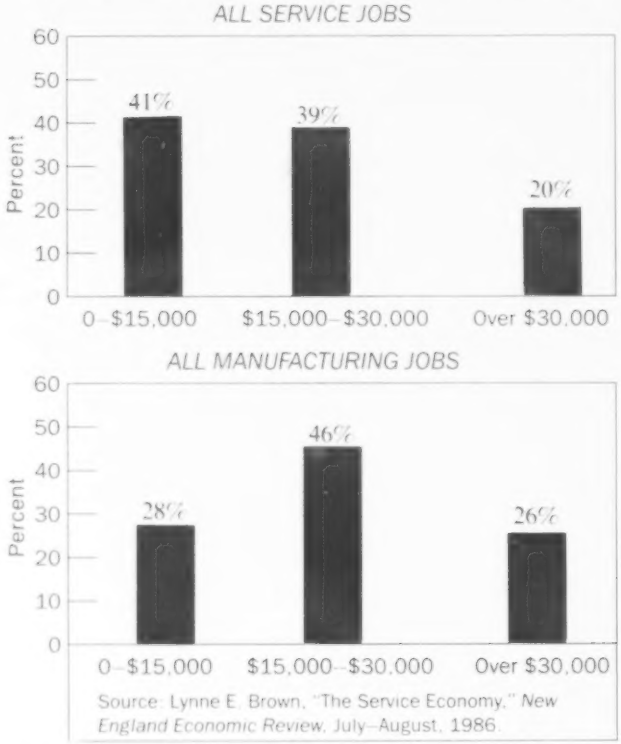
It is good for a state *not* to have too high an index on agriculture, mining, forests and fishing, as that is an area in economic difficulty throughout the nation. Manufacturing will increase in profitability, in part through a reduction in jobs. It is very clear from this data that *Indiana needs about three more arrows in its economic quiver*, particularly in the high end of financial, insurance, real estate, electronic, technical, personal and professional services. All of these service areas could have been developed in Indiana when it was an auto manufacturing leader, but most of these services were "hired out" to Chicago and Eastern banking and other service leaders. Detroit like Indianapolis would be in a very different situation if high end services had been "home grown" rather than farmed out.

This increased diversification will be particularly impor-

tant for the success of minority citizens in Indiana, as many of these newly created middle-class service jobs will be created by small and new businesses. (It is our 640,000 newly established small businesses every year that gives the U.S. a very favorable economic development, and a very low unemployment rate compared to other nations.) The support of minority, as well as white entrepreneurship, could be an excellent contribution to long-term economic development in Indiana. Economic stability demands a state economy with a diversity of generators of income. It is vital for the educational sector in Indiana to have a clear grasp of the kinds of jobs for which they are preparing Indiana youth. Some political leaders have suggested that education should prepare *all* young people for a "high tech" job, while the realities are just the reverse. At the moment, the nation is generating a very large number of "junk jobs:" for every new job for a computer programmer in 1980, the country generated *23* jobs for cashiers. It seems that Indiana has more than its share of fast food and low-paying clerical jobs. The largest number of service jobs have very poor salaries, especially when compared with manufacturing. Please see chart opposite.

We need to think about the educational preparation of all citizens, the 23 future cashiers as well as the one computer programmer. Let's look at the Indiana educational system for some answers:

PAY LEVELS: SERVICE & MANUFACTURING



Source: Lynne E. Brown, "The Service Economy," *New England Economic Review*, July–August, 1986.

INDIANA PUBLIC SCHOOLS: BASIC DATA

	1970	1982	1985-86
TOTAL ENROLLMENT	1,231,000	1,000,000	804,231
9-12	355,000	336,000	298,386
K-8	876,000	664,000	505,845
PUPIL/TEACHER	*	20.1	19.1
TEACHER SALARY	$11,186	*	$24,333
PER-PUPIL EXPENSE	$ 965	*	$ 2,973
CHILDREN IN POVERTY (age 5-17)	*	*	11%
HANDICAPPED	*	10.7%	*
GIFTED	*	4.0%	*
MINORITY	*	*	23.5%
BLACK	*	*	20.3%
HISPANIC	*	*	2.5%
ASIAN	*	*	.6%
NATIVE AMERICAN	*	*	.1%
BILINGUAL	*	*	.6%

FUNDING PERCENTAGES FOR EDUCATION	1973-74	1985-86
FEDERAL	7.0%	3.7%
STATE	38.4%	58.2%
LOCAL	54.6%	38.1%

5

There are many changes reflected in these numbers. The rather striking increase in minority students from 11% in 1970 to 23% in 1985 is due as much to declining white enrollments as to increasing minority enrollments. The big gains in per-pupil expenditure and teacher salary look fine, but Indiana actually lost a little ground compared with other states (e.g., the U.S. average for teacher salaries in 1985-86 was $25,257). It also appears that the state is doing a good job in identifying exceptional children early enough to get them in special programs.

A *major* change is the decline in local funding for schools, with a proportionate increase in state support, following a national trend. Nationally, state funds went from 42% to 50%. It is hard to imagine how state dollars can increase without state *control* increasing. The Golden Rule seems universal—he who has the gold makes the rule. Local control has been a matter of pride in Indiana for a long time, and it is not yet clear how this scenario will play out. A very good case can be made for an *increase* in state originated tax dollars for schools in the next decade, further threatening the autonomy of local boards.

Another important issue for Indiana is when the school population will begin to stabilize. The current (highly desirable) reduction in class size from 20 to 19 came about largely because of the decline in student numbers with a relatively constant teaching force, leaving each teacher with fewer students to teach. Current birth rates do *not* support another decade-long drop of 19% in school enrollments, however, the current 24% drop in elementary school enrollments, will have to work its way through the system. Look for elementary schools to bottom out in several years, providing the beginning of a new and stable "floor" for public school enrollments. Some elementary schools in Indiana are already reporting enrollment increases, and a Census report indicates a .7% increase in Indiana five-year-olds, while Ohio has a 2.2% increase, Illinois a 3.5% increase and Missouri is up 3.4%. This means that the turn-up in Indiana will be comparatively weak. Finally, the independent schools in Indiana continue to be a small but vital sector—while 73,000 high school graduates from public schools were turned out in 1983, independent schools in Indiana produced 5,300 graduates, about 6.8%.

A further question concerns the increased diversity of students without corresponding diversity within the faculty who will teach them. This is a fairly new issue for Indiana, as the 10% minority era did not really necessitate a concern for teachers as appropriate role models for students, etc. However, the NEA has reported a decline of black teachers from 12% of the teaching force to 8%, with further declines likely given the small numbers of blacks preparing for teaching careers. Such factors could reduce the retention rate to high school graduation still further—as it is, about one quarter of Indiana youth move into adulthood without the benefits of a high school diploma. Given that it costs state and local revenues about $36,000 to get a young person through the public schools, this investment must be paid back through taxable income earned by the public school graduate. The chances of a dropout ever paying back the investment made in him or her is very remote, thus contributing further to the state's economic woes.

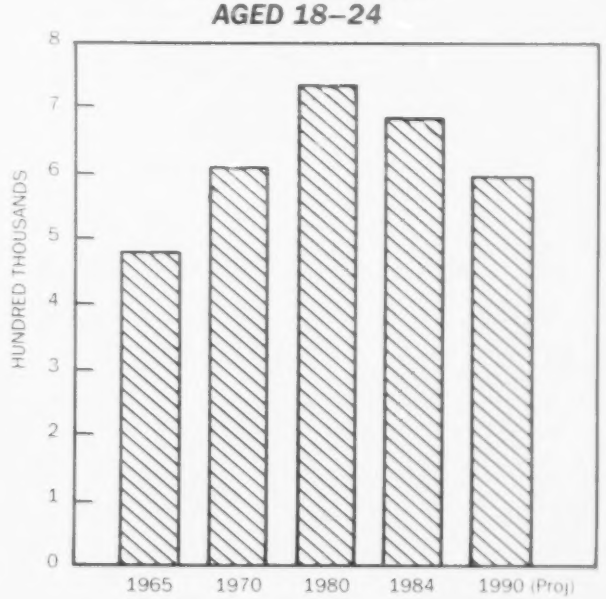
No one in Indiana benefits by having a person drop out of school. Indeed, the costs of improved retention programs are negligible compared to the costs of providing services throughout the life of a person without job skills. Consider that the average prisoner in U.S. jails has only a sixth grade education, *and* consider the fact that it costs about $24,000 to keep that prisoner in jail for a year, and you quickly get a sense of the "investment" issue. In Pennsylvania, where it costs about $3,000 to maintain a student at a unit of the state higher education system, it is *eight times* more expensive to have someone in the state pen than to have a student at Penn State. The economics are obvious—you can pay now or later.

INDIANA HIGHER EDUCATION

Although only a small number of Indiana residents have a four-year college degree themselves (about 12%—the U.S. average is 16.3%), higher education is an important element of the state. Its 72 institutions of higher education (24 two-year, 50 four-year and graduate, including 8 doctoral granting institutions) seem unusually attractive to students from other states—23% of all students in Indiana colleges and universities (17,198 students in 1986) migrated into Indiana for college. Considering that Indiana graduates about 78,000 high school students a year, and that entering students in Indiana colleges and universities totalled 53,046 in 1984, including about 5,000 out-of-state freshmen, the state could do better in "converting" high school graduates to college freshmen.

A problem has been the rapid decline of young people of "college age" in Indiana:

INDIANA RESIDENTS AGED 18–24



INDIANA RESIDENTS AGED 18-24:

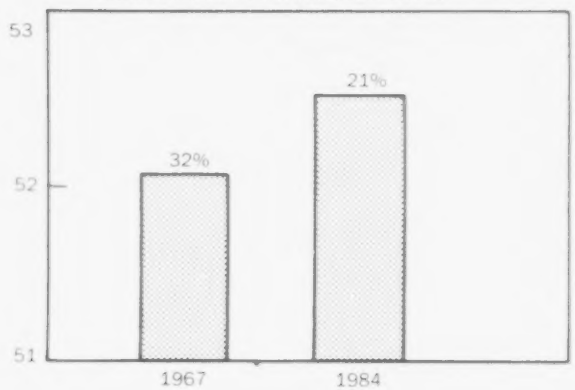
1965	1970	1980	1984	1990 (proj.)
483,000	607,000	737,000	685,000	592,000

The independent sector of Indiana higher education remains healthy in *numbers* of students, even though they represent a declining *percentage* of all Indiana registrations:

INDEPENDENT HIGHER EDUCATION ENROLLMENTS:

1967	1984
52,052 (32%)	52,536 (21%)

INDEPENDENT HIGHER EDUCATION ENROLLMENTS



Public institutions were enrolling 192,618 students in 1984. In some ways, the *public* institutions in Indiana will be in greater jeopardy due to falling enrollments, as the independent institutions have been stable and are not "used to" paying new bills by increasing the number of students. It would appear that, unless Indiana institutions can substantially increase their enrollments of either out-of-state students or "older" adults, a continual decline can be projected from current public school enrollment figures already presented.

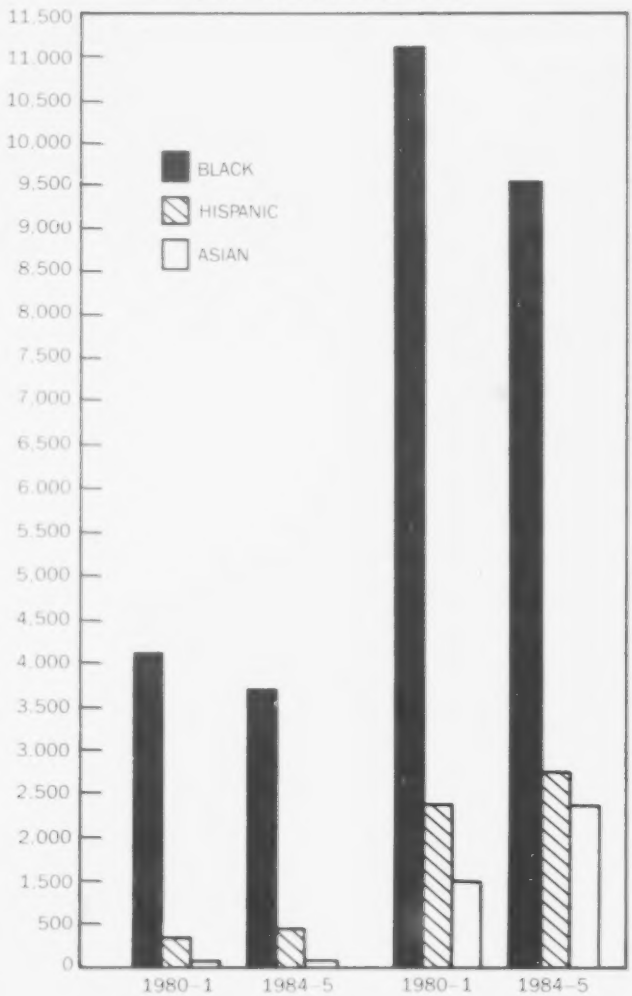
Indiana has put a major effort into higher education funding, up 17% from 1982-83 to 1984-85, the highest increase in the Great Lakes states. However, on most measures of tax *effort*, Indiana remains low.

Minority enrollments moved up from 6% of total enrollments in 1972 to 8% in 1982. However, it appears that there is a current decline in minority enrollments in some areas:

CHANGES IN MINORITY ENROLLMENT 1980-81 TO 1984-85:

	TWO YEAR		FOUR YEAR	
	1980-81	1984-85	1980-81	1984-85
BLACK	4,178	3,637 (−12.9%)	11,145	9,496 (−14.6%)
HISPANIC	369	438 (+18%)	2,397	2,735 (+14%)
ASIAN	152	131 (−13%)	1,510	2,395 (+58%)

CHANGES IN MINORITY ENROLLMENT 1980–81 TO 1984–85



It is interesting to track the tendency of Asian American students to "level up" in terms of the institution they attend: if admitted to a community college and a four-year school, they will generally seek out the highest level of institution to which they can be admitted. This trend also holds for graduate and professional school enrollments.

One of the problems Indiana does *not* have is a highly tenured faculty. While 82% of the public institution faculty

in California is tenured, only 60% of the public faculty in Indiana has tenure. This is going to be an increasingly important item for strategic planning, as heavily tenured institutions will lose their flexibility to add new courses as new areas of knowledge develop. In this regard, and given the state's recent increases in higher education funding, one can be optimistic about Indiana higher education. However, with declining student enrollments coming through the public schools, and a significant increase in the percentage of *minority* public school enrollments, Indiana higher education will have to see some major efforts to attract and retain qualified minority students for Indiana higher education, or else suffer disproportionate losses in enrollment.

The ACE 1986 "box score" gives Indiana rather good ratings on efforts to *recruit* minority students, but a very low grade on efforts to *retain* minority students through to graduation. This may be the time to engage in efforts at enrollment management—a coordination of efforts from recruitment to graduation. Such efforts would show benefits for many years to come in Indiana.

Indeed, as one looks at Indiana's future, several things stand out about the educational system and areas of concern. **First,** the retention rate to high school graduation needs to be improved. **Second,** the entire educational system needs to have a better sense of the future job structure in Indiana so that they can plan for the jobs that *actually will be available*. **Third,** the state needs a coherent youth policy, especially for minority youth, who will be increasingly important in the years to come.

GENERAL CONCLUSIONS

Indiana is a fascinating melange of "Heartland" values (people living in houses that they own, and with a person they're married to), and a long standing economic commitment to manufacturing. Partly because people have done well in manufacturing *without* high levels of education, a small proportion of adults possess college degrees. At the moment, many new jobs in Indiana are from the low end of services—"junk jobs" that pay very little compared with the manufacturing jobs they are replacing. If Indiana is to develop a healthy and diverse economy, it must *build a middle into its service economy and work force*. No clear signals are being sent to the educational system regarding the kinds of jobs that Indiana will create in the next decade. Manufacturing in Indiana will not go away, but jobs which pay very well for workers with limited, easily automatable skills will clearly be a thing of the past. Productivity increases will mean *jobless growth*, especially in manufacturing.

Due partly to declining white birth rates, minorities become a more important part of Indiana's future. The size of the black middle class should become an issue in Indiana's future prosperity—if it declines in numbers or earning power, the state is in economic trouble. The same can be said with smaller numbers for the Hispanic and Asian American middle classes. With these comments in mind, consider the following suggestions for Indiana's future:

1. Given limited ethnic diversity, relatively good income levels, low crime rates and stable individuals and families, the retention rate to high school graduation should be higher. There is no reason why, in Indiana, one out of four youth begin adult life without a high school diploma, when in Minnesota only 10% start adult life with that handicap. Serious attention needs to be given to the problem, especially to "front loading" resources to the early years of elementary school to ensure that students get off to a good start. It is easier (and cheaper) to *keep* students on grade level performance after early successes than mounting a crash program for tenth graders to try to make up for nine years of neglect and failure. The state also needs to think about how day care and early childhood education fit into this equation. There is no question as to the capacity of the state's educational leadership—they can do the job. A tune-up is needed, not a major overhaul.

2. Some link needs to be made between the state's public schools, higher education and businesses on the issue of *jobs for Indiana's future*. Attention has been focused on the problem, but now is the time for some coordinated efforts. New jobs in Indiana, according to the Bureau of Labor Statistics, have a disproportionate number of fast food and cashier jobs, and still some new manufacturing jobs. What is missing is the high end services. *New jobs are not the province of Fortune Five Hundred companies;* most come from new small businesses, and that is an area Indiana needs to develop. The Federal commitment to the Small Business Administration is ambiguous, but state efforts in small business set-asides could easily be increased. This area could be worked on by schools, colleges, businesses and local/state government units.

3. Indiana schools of education need to give particular thought to the preparation of public school teachers who will reflect the changing Indiana student population, especially the increasing minority populations. Particular attention should be given to the urban areas of Indiana, in terms of preparing a *leadership* cadre of teachers, both new and experienced, with new skills in retaining students and keeping them performing at grade level. Such an effort, combining schools of education with public schools, and with other university areas of expertise when needed, could provide a model for other states who are also trying to maximize the performance of a more diverse public school student body.

4. There is a danger in the next decade that cities like Indianapolis could become places where the rich and poor live, but not the middle, in that housing, shopping *and* jobs have now moved to the suburbs. Although Indianapolis has lost ground, there is still time to regain that ground, unlike many major cities that seem to have no "core" left, only suburban jobs, bedrooms and shopping centers. It is vital that Indiana begin to put in place programs designed to prevent further erosion of jobs and housing stock, while at the same time attracting new urban development and small business starts. The school leadership in cities like Indianapolis and Gary-Hammond needs to be full partners in such ventures.

5. Although Indiana has a tradition of independence and local autonomy, the recent increase in state funding for public schools could be a cause for concern, particularly if the result seems to be an erosion of confidence in local boards of education. There seems to be no evidence of that trend at present, but it is a factor to be watched.

6. The small increases in Hispanic and Asian American college students need to be assessed in terms of the rather sharp decline in black students, a much larger number. Indiana can take some steps to ensure that minority representation in higher education is at least maintained at present levels. ACE's "box score" suggests some successful efforts at minority *recruitment* in Indiana, the next step may be a comprehensive approach to enrollment management which would increase *graduation* rates as well.

7. Most important, Indiana has the luxury of a little time. The changes that are coming are slower and more gradual than those of many other states. Given the stability of the state, and the knowledge that today's Indiana children *will* be the Indiana adults of tomorrow, strategic planning, environmental scanning and issues management should be more than just gong words in Indiana, as there are resources and time to deal with the issues.

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INDIANA—SUMMARY OF MAJOR POINTS

1. Indiana is a fascinating mix of Great Plains (Heartland values), Great Lakes (manufacturing, large cities, diversity) and a little Dixie thrown in at the bottom. A very large number of its citizens live in homes that they own, and live with someone they are married to—an idea that seems quaint in certain parts of the U.S. It is a very stable state in population terms—only 1/4th of the people came to Indiana from another state. The 10% adult minority population will increase to 23% minority in the future, as that is the current rate in public schools.
2. The Indiana economy is in drastic need of more diversity, particularly in the middle and high levels of the service economy in financial, technical, electronic and business services. New jobs in these areas will be generated by new small businesses, which need to be encouraged by *state* leadership.
3. Indiana was at one time a major auto manufacturing center, not a subcontractor for Detroit as it is at present. If it had developed the financial and business services that go with auto manufacturing at the same time, the state's economy would be in a very different condition today—greater diversity in areas with many middle class jobs. At the moment, a large number of jobs coming on stream in Indiana are low-paying "junk jobs" that pay "chump change" and have almost no opportunities for advancement. This area is one in which the state's education, government and business leadership needs to work more closely together.
4. Gary-Hammond and Indianapolis rank 10th and 11th respectively in the percent of black men who make middle incomes—defined as $25,000 to $50,000. Although black suburban residency is a problem (the rates are very low), black *income* levels are commendably high, and efforts need to be made to perpetuate and expand the minority middle classes in Indiana.
5. After a long (and gradual) decline in youth, Indiana will show a *small* turnaround in the next decade (birth rates are creeping up a little) but youth will increase more rapidly in the neighboring states of Ohio, Illinois and Missouri. The small increase in Indiana youth will be significantly minority.
6. Indiana schools do not need a major overhaul, as is true in some states—but they do need a tune-up, particularly in *increasing the percentage of youth who complete high school.* Of 83,966 students who were ninth graders in 1980, 65,710 (78.3%) graduated from high school in 1984. This is actually a slight improvement from earlier years, but Indiana can do even more.
7. Although few Indiana adults have college degrees (12.5%), higher education in the state is an important activity, and public higher education funding has been increasing. A large number of college students come to Indiana from other states to study. The independent institutions of higher education, although declining as a percentage of enrollment, have been almost constant in numbers of students. A low tenure rate will alleviate some problems of inflexibility that will plague other states with higher levels.
8. Looking selectively at initiatives in Indiana, developing a larger number of well paying service jobs, increasing the number of youth who graduate from high school, increasing minority enrollment and graduation from higher education institutions, and providing better early childhood and day care as an increasing percentage of women enter the Indiana workforce, would be a recipe that could significantly improve the quality of life for Hoosiers for decades to come.